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November 18, 1954

JCJ-104-0846(G)-OM

Memorandum to: The Joint Committee

Subject : Status of Third State Nationals

From : Morio Yukawa, Japanese Representative, JC

1. References:

- a. Memorandum from Mr. Seki to Colonel Hanley dated April 16, 1953.
- b. Memorandum from Colonel Thomson to Mr. Seki, 29 August 1953.
- c. U.S. memorandum to the Joint Committee dated 19 October 1953, subject: Determination of Status of Limited Number of Third State Nationals Employed by United States Forces, Japan.
- d. Memorandum JCJ-74-0689(G)-OM dated 22 October 1953, subject: Third State Nationals.
- e. Memorandum from Rear Admiral B.H. Hanlon to Mr. Y. Iseki, dated 23 October 1953, subject: Third State Nationals Including Chinese and Korean Technicians Employed by U. S. Forces.
- f. Memorandum from Mr. Iseki to Admiral Hanlon dated 6 November 1953, subject: Third State Nationals Including Chinese and Korean Technicians Employed by U. S. Forces.
- g. Memorandum from Mr. Iseki to Admiral Hanlon dated 1 February 1954, subject: Third State Nationals Including Chinese and Korean Technicians Employed by U. S. Forces.
- h. Letter, Rear Admiral Hanlon to Mr. Iseki, 12 February 1954.
- i. Paragraph 6, minutes of the 89th meeting of the Joint Committee dated 22 April 1954.
- j. Letter, Mr. Iseki to Admiral Hanlon, 23 April 1954.
- k. Paragraph 7, minutes of the 93d meeting of the Joint Committee dated 17 June 1954.
- l. Paragraph 14, minutes of the 95th meeting of the Joint Committee dated 15 July 1954.

m. U. S. memorandum to the Joint Committee dated 4 October 1954, subject: Status of Third State Nationals.

n. Paragraph 10, Minutes of the 101st meeting of the Joint Committee dated 14 October 1954.

2. As stated in Mr. Iseki's letter to Admiral Hanlon under date of 23 April 1954, reference 1j above, it is stated that the application of Article IV, paragraph 2 of the Immigration Control Law of 1951 to the subject third state nationals is not possible in view of the legal technicalities as set forth in that law. The Japanese Government, however, is ready to accord the status of ordinary residence to the subject third state nationals in accordance with Article IV, paragraph 16 of the said law. It is pointed out that for the purpose of registration under the Japanese law the place of hire of these nationals is immaterial.

It is therefore requested that USFJ be good enough to instruct these third state nationals to register immediately under Article IV, paragraph 16 of the said law, without waiting for the final solution of the issues set forth in the succeeding paragraphs 3 and 4.

3. Now that an agreement has been reached by the U. S. and Japanese sides not to regard the subject nationals as the "civilian component" under the terms of the Administrative Agreement, it is fit and proper that their salary as well as their income derived from Japanese sources are to be made subject to taxation under the Japanese legislation.

4. It is proposed to define exactly the extent and scope of the privilege or the "fringe benefit" which can be accorded to the subject third state nationals under the Administrative Agreement. The Japanese side is ready to consider the possibility and the extent of the privilege upon presentation of the position of USFJ thereon in writing.

Morio YUKAWA
Director
International Cooperation Bureau
Ministry of Foreign Affairs
Japanese Representative